



General Assembly

January Session, 2009

Amendment

LCO No. 8776

SB0110008776SD0

Offered by:

SEN. MCDONALD, 27th Dist.

To: Senate Bill No. 1100

File No. 684

Cal. No. 469

"AN ACT CONCERNING MEDICAL GROUP CLINIC CORPORATIONS."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective July 1, 2009*) As used in sections 1 to 6,
4 inclusive, of this act:

5 (1) "Certificate of incorporation" means a certificate of incorporation,
6 as defined in section 33-1002 of the general statutes, or any predecessor
7 statute thereto;

8 (2) "Hospital" means a nonstock corporation organized under
9 chapter 602 of the general statutes, or any predecessor statute thereto,
10 or by special act and licensed as a hospital pursuant to chapter 368v of
11 the general statutes;

12 (3) "Health system" means a nonstock corporation organized under
13 chapter 602 of the general statutes, or any predecessor statute thereto,

14 consisting of a parent corporation of one or more hospitals licensed
15 pursuant to chapter 368v of the general statutes, and affiliated through
16 governance, membership or some other means; and

17 (4) "Provider" means a physician licensed under chapter 370 of the
18 general statutes, a chiropractor licensed under chapter 372 of the
19 general statutes or a podiatrist licensed under chapter 375 of the
20 general statutes.

21 Sec. 2. (NEW) (*Effective July 1, 2009*) (a) Any hospital or health
22 system may organize and become a member of a medical foundation
23 under the provisions of chapter 602 of the general statutes for the
24 purpose of practicing medicine and providing health care services as a
25 medical foundation through employees or agents of such medical
26 foundation who are licensed pursuant to section 20-9 of the general
27 statutes and through other providers. Such medical foundation shall
28 be governed by a board of directors, which shall consist of an equal or
29 greater number of providers than nonprovider employees of the
30 members, in addition to such other directors as may be elected by the
31 members.

32 (b) Any medical foundation organized on or after July 1, 2009, shall
33 file a copy of its certificate of incorporation and any amendments to its
34 certificate of incorporation with the Office of Health Care Access not
35 later than ten business days after the medical foundation files such
36 certificate of incorporation or amendment with the Secretary of the
37 State pursuant to chapter 602 of the general statutes.

38 (c) Any medical group clinic corporation formed under chapter 594
39 of the general statutes, revision of 1958, revised to 1995, which amends
40 its certificate of incorporation pursuant to subsection (a) of section 3 of
41 this act, shall file with the Office of Health Care Access a copy of its
42 certificate of incorporation and any amendments to its certificate of
43 incorporation, including any amendment to its certificate of
44 incorporation that complies with the requirements of subsection (a) of
45 section 3 of this act, not later than ten business days after the medical

46 foundation files its certificate of incorporation or any amendments to
47 its certificate of incorporation with the Secretary of the State.

48 (d) Any medical foundation, regardless of when organized, shall file
49 notice with the Office of Health Care Access and the Secretary of the
50 State of its liquidation, termination, dissolution or cessation of
51 operations not later than ten business days after a vote by its board of
52 directors or members to take such action. Not later than ten business
53 days after receiving a written request from the Office of Health Care
54 Access, a medical foundation shall provide the Office of Health Care
55 Access with a statement of its mission and a description of the services
56 it provides, and a description of any significant change in its services
57 during the preceding year as reported on the medical foundation's
58 most recently filed Internal Revenue Service return of organization
59 exempt from income tax form, or any replacement form adopted by
60 the Internal Revenue Service.

61 (e) A medical foundation shall not operate for profit and may
62 operate at such locations as are designated by its members.

63 Sec. 3. (NEW) (*Effective July 1, 2009*) (a) Sections 1 to 6, inclusive, of
64 this act shall not apply to any corporation, including a corporation
65 described in section 6 of this act, organized for the purposes of
66 practicing medicine and providing health care services to the public
67 under any other law authorizing the provision of such services by a
68 corporation that was valid at the time of such corporation's
69 organization. Any such corporation may bring itself within the
70 provisions of sections 1 to 6, inclusive, of this act by amending its
71 certificate of incorporation in such manner as to be consistent with the
72 requirements of sections 1 to 6, inclusive, of this act and by
73 affirmatively stating in the amended certificate of incorporation that
74 the members have elected to bring the corporation within the
75 provisions of sections 1 to 6, inclusive, of this act. To the extent that
76 such corporation has a current provider agreement with the
77 Department of Social Services, the provider agreement shall remain in
78 effect regardless of any amendment to the corporation's certificate of

79 incorporation.

80 (b) A medical group clinic corporation formed under chapter 594 of
81 the general statutes, revision of 1958, revised to 1995, and in existence
82 on September 30, 1995, and continuing to operate as such a corporation
83 from September 30, 1995, until July 1, 2009, shall continue to be duly
84 organized if such corporation elects not later than July 1, 2010, to bring
85 itself within the provisions of sections 1 to 6, inclusive, of this act in the
86 manner described in subsection (a) of this section.

87 Sec. 4. (NEW) (*Effective July 1, 2009*) No medical foundation
88 organized under sections 1 to 6, inclusive, of this act shall engage in
89 any business other than the rendering of health care services for which
90 it was specifically incorporated, except that nothing in sections 1 to 6,
91 inclusive, of this act or in any other provision of law applicable to
92 corporations shall be interpreted to prohibit such medical foundation
93 from investing its funds in real estate, mortgages, stocks, bonds or any
94 other type of investments, or from owning real or personal property
95 incident to the rendering of professional services.

96 Sec. 5. (NEW) (*Effective July 1, 2009*) Notwithstanding the provisions
97 of subsection (a) of section 33-1045 of the general statutes, the
98 corporate name of a medical foundation organized under sections 1 to
99 6, inclusive, of this act shall contain the words "corporation" or the
100 abbreviation "Inc." or "Corp.", and shall also contain either a word or
101 words descriptive of the professional service to be rendered by the
102 medical foundation or shall include a reference to the name of the
103 member hospital or health system.

104 Sec. 6. (NEW) (*Effective July 1, 2009*) Chapter 602 of the general
105 statutes is applicable to a medical foundation organized pursuant to
106 sections 1 to 6, inclusive, of this act, except to the extent that any of the
107 provisions of sections 1 to 6, inclusive, of this act are interpreted to be
108 in conflict with the provisions of said chapter 602, in which event the
109 provisions of sections 1 to 6, inclusive, of this act shall take precedence
110 with respect to such medical foundation. A medical foundation

111 organized under sections 1 to 6, inclusive, of this act may consolidate
112 or merge only with another medical foundation organized under
113 sections 1 to 6, inclusive, of this act or under chapter 594 of the general
114 statutes, revision of 1958, revised to 1995, that is duly organized
115 pursuant to section 1 to 6, inclusive, of this act, a professional
116 corporation organized under chapter 594a of the general statutes, a
117 limited liability company organized under chapter 613 of the general
118 statutes or a partnership or limited liability partnership organized
119 under chapter 614 of the general statutes, if such corporation, company
120 or partnership is organized to render the same specific professional
121 services.

122 Sec. 7. Section 33-182i of the general statutes is repealed and the
123 following is substituted in lieu thereof (*Effective July 1, 2009*):

124 Chapter 601 is applicable to a corporation organized pursuant to
125 this chapter except to the extent that any of the provisions of this
126 chapter are interpreted to be in conflict with the provisions of chapter
127 601, in which event the provisions of this chapter shall take precedence
128 with respect to a corporation organized pursuant to the provisions of
129 this chapter. A professional corporation organized under this chapter
130 may consolidate or merge only with another professional corporation
131 organized under this chapter, a limited liability company organized
132 under chapter 613, [or] a partnership or limited liability partnership
133 organized under chapter 614 or a medical foundation organized under
134 sections 1 to 6, inclusive of this act, if such corporation, company, [or]
135 partnership or medical foundation is organized to render the same
136 specific professional service. A merger or consolidation of any
137 professional corporation organized under this chapter with any
138 foreign corporation, foreign limited liability company, foreign
139 partnership or foreign limited liability partnership is prohibited.

140 Sec. 8. Section 19a-630a of the general statutes is repealed and the
141 following is substituted in lieu thereof (*Effective July 1, 2009*):

142 As used in sections 19a-638 to 19-639c, inclusive, "affiliate" means a

143 person, entity or organization controlling, controlled by or under
 144 common control with another person, entity or organization. In
 145 addition to other means of being controlled, a person is deemed
 146 controlled by another person if the other person, or one of that other
 147 person's affiliates, officers or management employees, acting in such
 148 capacity, acts as a general partner of a general or limited partnership or
 149 manager of a limited liability company. "Affiliate" does not include a
 150 medical foundation organized under sections 1 to 6, inclusive, of this
 151 act."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2009</i>	New section
Sec. 2	<i>July 1, 2009</i>	New section
Sec. 3	<i>July 1, 2009</i>	New section
Sec. 4	<i>July 1, 2009</i>	New section
Sec. 5	<i>July 1, 2009</i>	New section
Sec. 6	<i>July 1, 2009</i>	New section
Sec. 7	<i>July 1, 2009</i>	33-182i
Sec. 8	<i>July 1, 2009</i>	19a-630a